

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-02128A
Hillcrest Water Company
915 E. Bethany Home Rd.
Phoenix, AZ 85014

RECEIVED

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-12-07 RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) HILLCREST WATER COMPANY			
Mailing Address 915 E. BETHANY HOME ROAD			
PHOENIX	AZ	85014	
(City)	(State)	(Zip)	
602 265-5914			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			
Local Office Mailing Address 915 E. BETHANY HOME ROAD			
PHOENIX	AZ	85014	
(City)	(State)	(Zip)	
602 265-5914			
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			

MANAGEMENT INFORMATION

Management Contact: BARBARA DUNLAP			
(Name)		PRESIDENT (Title)	
915 E. BETHANY HOME ROAD	PHOENIX	AZ	85014
(Street)	(City)	(State)	(Zip)
602 265-5914			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			
On Site Manager: JACKIE JOHNSON			
(Name)			
809 CRYSTAL VIEW DRIVE	PARKER	AZ	85344
(Street)	(City)	(State)	(Zip)
928 667-7271			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: BARBARA DUNLAP

(Name)

915 E. BETHANY HOME ROAD

(Street)

PHOENIX

(City)

AZ

85014

(State)

(Zip)

602 265-5914

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney:

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☒ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

HILLCREST WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	7,353	3,912	3,441
307	Wells and Springs			
311	Pumping Equipment	7,655	7,655	
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	58,102	14,170	41,932
331	Transmission and Distribution Mains	14,455	14,455	
333	Services	6,800	6,800	
334	Meters and Meter Installations	8,598	8,598	
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,440	1,440	
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS		57,030	45,373

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME

HILLCREST WATER COMPANY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	7,353	10	434
307	Wells and Springs			
311	Pumping Equipment	7,655	1.5	
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	56,102	4.0	2,530
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			2,964

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

COMPANY NAME

HILLCREST WATER COMPANY

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 34,642	\$ 37,297
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 34,642	\$ 37,297
	FIXED ASSETS		
101	Utility Plant in Service	\$ 95,429	\$ 95,429
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	54,066	57,030
121	Non-Utility Property	6,974	6,974
122	Accumulated Depreciation – Non Utility	6,974	6,974
	TOTAL FIXED ASSETS	\$ 41,364	\$ 38,400
	TOTAL ASSETS	\$ 76,006	\$ 75,697

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME HILLCREST WATER COMPANY

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1,230	1,230
236	Accrued Taxes	5,484	2,540
237	Accrued Interest	39,771	39,771
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 46,485	\$ 43,541
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 83,932	\$ 83,932
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 130,417	\$ 127,473
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 28,000	\$ 28,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(82,411)	(79,777)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (54,411)	\$ (51,777)
	TOTAL LIABILITIES AND CAPITAL	\$ 76,006	\$75,696

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 65,433	\$ 53,598
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 65,433	\$ 53,598
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water	608	
615	Purchased Power	2,332	2,706
618	Chemicals		
620	Repairs and Maintenance	990	399
621	Office Supplies and Expense	12,320	12,900
630	Outside Services	22,563	24,088
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	223	687
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,280	1,254
403	Depreciation Expense	2,978	2,964
408	Taxes Other Than Income	3,409	3,187
408.11	Property Taxes	4,156	2,089
409	Income Tax	2,486	697
	TOTAL OPERATING EXPENSES	\$ 53,490	\$ 50,964
	OPERATING INCOME/(LOSS)	\$ 11,949	\$ 2,634
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ 11,949	\$ 2,634

COMPANY NAME HILLCREST WATER COMPANY

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1993	1998	1999	
Source of Loan				
ACC Decision No.				
Reason for Loan	OPERATIONS	OPERATIONS	IMPROVEMENTS	
Dollar Amount Issued	\$ 5,591	\$ 47,304	\$ 30,000	\$
Amount Outstanding	\$ 5,591	\$ 47,304	\$ 30,000	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 1,230

Meter Deposits Refunded During the Test Year \$

COMPANY NAME	HILLCREST WATER COMPANY
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-501879	3	300	160	6	3	1982
55-554097	3	150	170	6	3	1996

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
43,301	1	85	1
50,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	HILLCREST WATER COMPANY
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	7,000
5		
6	PVC	2,845
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	198
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME HILLCREST WATER COMPANY

YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 2,189

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

VERIFICATION

STATE OF ARIZONA

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) TITLE BARBARA DUNLAP	PRESIDENT
COMPANY NAME HILLCREST WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Barbara Dunlap
SIGNATURE OF OWNER OR OFFICIAL

602 265-5914

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th

DAY OF

March
2007

COUNTY NAME
MARICOPA

MONTH

March

2007

ANGELA HALL (SEAL)
NOTARY PUBLIC

MY COMMISSION EXPIRES

9/05/2010

Angela Hall
SIGNATURE OF NOTARY PUBLIC

YEAR ENDING 12/31/2006

For this reporting period, provide the following:

State Taxable Income Reported	3,331
Estimated or Actual State Tax Liability	232

Amount of Contributions/Advances _____
 Amount of Gross-Up Tax Collected _____
 Total Grossed-Up Contributions/Advances _____

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

DATE _____

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

APPROVED

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	
MARICOPA	
NAME (OWNER OR OFFICIAL) TITLE	
BARBARA DUNLAP	PRESIDENT
COMPANY NAME	
HILLCREST WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 56,777

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3,179
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Barbara Dunlap
SIGNATURE OF OWNER OR OFFICIAL

602 265-5914

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th

DAY OF

(SEAL)

COUNTY NAME	
MARICOPA	
MONTH	YEAR
March	2007

Angela Hall
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

9/5/2010

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) BARBARA DUNLAP	TITLE PRESIDENT
COMPANY NAME HILLCREST WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 56,777

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 3,179
IN SALES TAXES BILLED, OR COLLECTED)

**PLEASE SIGN
& DATE**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

602 265-5914

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

--

DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	, 20 07

(SEAL)

MY COMMISSION EXPIRES

X

SIGNATURE OF NOTARY PUBLIC